

AMENDED IN ASSEMBLY APRIL 11, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 1027

Introduced by Assembly Member Jerome Horton

February 22, 2005

~~An act relating to taxation.~~ *An act to amend Section 11751.71 of the Insurance Code, and to add Section 19529 to the Revenue and Taxation Code, relating to criminal investigations.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1027, as amended, Jerome Horton. ~~Taxation: payroll~~ *Criminal investigation.*

Existing law establishes a procedure for the Director of Industrial Relations to obtain information from insurance rating organizations in connection with identifying employers who fail to secure adequate specified insurance in violation of law.

This bill would establish a similar procedure for the Registrar of Contractors of the Contractors State License Board to obtain that information in connection with licensed contractors who fail to secure adequate specified insurance in violation of law.

The bill would also require the Franchise Tax Board to notify the Registrar of Contractors of the Contractors State License Board and the Director of Employment Development upon the filing of criminal charges or arraignment of any individual who is a licensee pursuant to a license issued by the Contractors State License Board

~~Existing law requires employers to withhold taxes on wages paid to employees.~~

~~This bill would declare the Legislature's intent to enact legislation to ensure compliance with this state's payroll tax program.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. The Legislature declares its intent to enact~~
2 ~~legislation to ensure compliance with this state's payroll tax~~
3 ~~program.~~

4 ~~SECTION 1. Section 11751.7 of the Insurance Code is~~
5 ~~amended to read:~~

6 11751.7. (a) The rating organization designated the statistical
7 agent pursuant to Section 11751.5 shall provide to the Director of
8 Industrial Relations, upon request, any information in the
9 possession of, or reasonably attainable by the rating organization,
10 that would assist the Director of Industrial Relations to identify
11 employers who fail to secure adequate insurance in violation of
12 Section 3700 of the Labor Code. The information requested
13 pursuant to this section shall be provided by the rating
14 organization in a form and manner prescribed by the Director of
15 Industrial Relations.

16 (b) *The rating organization designated the statistical agent*
17 *pursuant to Section 11751.5 shall provide to the Registrar of*
18 *Contractors of the Contractor's State License Board, upon*
19 *request, any information in the possession of, or reasonably*
20 *attainable by the rating organization, that would assist in*
21 *identifying licensed contractors who fail to secure adequate*
22 *insurance in violation of Section 3700 of the Labor Code. The*
23 *information requested pursuant to this section shall be provided*
24 *by the rating organization in a form and manner prescribed by*
25 *the Registrar of Contractors.*

26 SEC. 2. Section 19529 is added to the Revenue and Taxation
27 Code, to read:

28 19529. *The Franchise Tax Board shall notify the Registrar of*
29 *Contractors of the Contractors State License Board and the*
30 *Director of Employment Development upon filing criminal*
31 *charges or the arraignment of any individual who is a licensee*
32 *pursuant to a license issued by the Contractors State License*
33 *Board.*

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